

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 15, 2008

Mr. Alfred F. Jahns
Law Office of Alfred F. Jahns
3436 American River Drive, Suite 12
Sacramento, CA 95864

Subject: Second Deficiency Letter for Sacramento Natural Gas Storage Project (Application No. 07-04-013)

Dear Mr. Jahns:

The Energy Division of the California Public Utilities Commission has completed its second review of the Sacramento Natural Gas Storage Project (SNGS) Certificate of Public Convenience and Necessity (CPCN) Application (Application No. 07-04-013 dated April 9, 2007) and the Proponent's Environmental Assessment (PEA).

Section 15100 of the California Environmental Quality Act requires the agency responsible for the certification of a proposed project to assess the completeness of the project proponent's application. The Energy Division uses the Commission's Information and Criteria List as the basic guide for determining the adequacy of project applications.

After performing its review of SNGS's application for the project, the Energy Division finds that the information contained in the environmental assessment is currently incomplete. Attached is a list that identifies the issue areas of the application that were found to be deficient. Additional information submitted in accordance with the Energy Division's report should be filed as supplements to the above application.

Upon receipt of the supplemental information, the Energy Division will perform a third review to assess the adequacy of the data submitted--a determination of the adequacy of the application will once again be issued.

The Energy Division reserves the right to request additional information at any point in the process. Questions relating to the project should be directed to Mike Rosauer at 415-703-2579 or fly@cpuc.ca.gov.

Sincerely,

Chlohekin's for

Michael Rosauer
CPUC Project Manager

Attachment: CPCN Application 07-04-013 – List of Deficiency Items – No. 2

ATTACHMENT A

Sacramento Natural Gas Storage Project CPCN Application (A.07-04-013) List of Deficiency Items - No.2

1.0 PURPOSE AND NEED

- a) One of the questions that came up during public scoping was the need for the specific location of the storage facility, not only locally, but regionally. In response to the CPUC's first review of completeness dated July 12, 2007, SNGS refers to Section IV.A. of the Application for detail on the Purpose and Need of the project which describes the state-wide need for natural gas storage and the local demand. While the application does describe in some detail the proximity of end users to the Florin gas field and the need for state-wide natural gas storage, little information is provided to support the use of the Florin Gas Field as opposed to other locations (see Alternatives below for screening of other gas fields). Please elaborate on the strategic location of the Florin gas field and further describe the Sacramento area's disposition with regards to its location along the existing interstate natural gas pipeline system, the short-comings of the existing transmission or storage systems, and how the proposed project solves these problems as opposed to other alternatives.

2.0 ALTERNATIVES

- a) Please provide additional detail to clarify the screening process described on page A-37 of SNGS' responses to the review of completeness. For each gas field in the table, please describe how it relates to the project objective, feasibility, and environmental issues. For example, if the location was poor, why was it poor? If environmental issues were present, what type of environment issues precluded further study?
- b) Were any other alternatives considered outside of the Sacramento area? Could other available storage fields outside those listed on page A-37 meet SNGS' project objective?
- c) Please provide a map showing the alternative gas fields considered by SNGS.